

ment has astounded the delegates of other countries. The chief reason is that the demand of France reveals a complete reversal of opinion regarding sea armaments during the last three weeks.

At the second plenary session of the conference Premier Briand, in referring to the plan proposed by Secretary Hughes for limitation of sea armaments, said:

"The question with which we have first to deal here is of course one that mainly concerns the great naval Powers, but I may say for my part that I have listened with great joy to the very large, broad and general admission given in principle by the Governments of Great Britain and Japan."

M. Briand's reference to principles was interpreted at the time to indicate acceptance by France of paragraph A of the four principles, which was as follows: "The elimination of all capital shipbuilding programs either actual or projected," as also paragraph B, which read: "That regard should be had to the existing naval strength of the conferring Powers."

The unexpected demand by France therefore was productive of a confusion of ideas as to the probable cause for the reversal on the position assumed by M. Briand, presumably since his return to Paris.

Balfour Gets Into Action.

The French announcement was of sufficient importance to bring Mr. Balfour into action this afternoon, when he made a statement of the British position regarding the general aspects of the naval programme. He made no direct reference to the French request except to say that the whole naval plan depended on it, but it is quite evident that he and his British colleagues, as well as the American, Japanese and Italian delegates, viewed the French proposal as potentially serious to all conference undertakings if persisted in.

Mr. Balfour said the British position on the submarine issue would be made entirely clear by Lord Lee's speech in plenary session of the conference. He would not discuss the probable relation to the French naval proposal.

He characterized the adoption of the capital ship agreement as "a new thing in the annals of international armaments and an unexampled landmark in history."

"I have no doubt," said Mr. Balfour, "that the great undertaking initiated by the United States is going to benefit all countries concerned and, of course, will benefit the world. It is the only one that would probably satisfy the people of China, who have already chafed a mighty protest against the direct negotiations now proceeding."

The other Chinese problems remaining to be settled are described to be in an advanced stage awaiting completion of the Sino-Japanese negotiations over Shantung.

Safety Minus Competition.

"This arrangement has the merit of leaving all these three countries free from attack by preventing cut-throat competition between them as regards cost of armaments and of doing anything which could lead to embitterment or regret if one considers the safety, the security and honor of the country. Broadly speaking, the cost of naval armaments is rapidly mounting in all these countries, even the richest of them. Quite apart from moral humanitarian considerations, the fact that the matter purely from the point of view of finance, national and international, it seems to me that the advantages to mankind which the President of the United States and his Government have initiated are very difficult to estimate."

"When the President of the United States initiated on the first day of the conference the great movement to which I have alluded he was aware that we who listened to him were not aware that he was opening a new chapter in the history of man and armaments. The effect upon Great Britain was the same upon Japan and the United States; it will diminish public burdens; it will give relief in the time of particular difficulties; it will be a lesson in humanitarianism to mankind."

Groping for probable reasons lying back of the move made by the French delegates for maximum consideration in naval armaments, officials and delegates in a position to speak with authority manifested a desire to avoid giving offense to their French associates. Unofficial opinions were both varied and various.

It appeared that the dominant impression among officials and delegates that the French request would be appreciably modified by an official statement to-morrow if authority is given to France and Italy to maintain adequate auxiliary and submarine units beyond the point favored by Great Britain, which has set its face against the employment of undersea boats in warfare.

There is no doubt that the French request has caused feeling between British delegates and officials, as the latter naturally construe it as emphasizing hostility on the part of the French toward British ambitions with respect to naval and economic undertakings.

The French observed complete silence regarding the disturbing suggestion made by them to the subcommittee on naval armaments. One of their spokesmen accused the British delegates with violating the plea of secrecy regarding conference deliberations. Unofficial adherents of both the French and British delegations, however, did not attempt to conceal the fact that the tension between the two countries existing since the controversy over Silesia still continues.

The American delegates naturally reserved comment on the French request and were inclined to regard it as tentative. American officials in admitting its probable influence on conference undertakings were inclined to regard the economic aspects of it as of major importance. It is estimated that the French naval programme submitted to-day imposes too heavy a financial burden for France to assume in present conditions.

Holding an optimistic view regarding the ultimate result of the conference, some American officials described the French request as "a smoke screen" to cloak Italian and French ambitions in the submarine line. Whether this estimate is correct or not is a subject of spirited controversy to-night.

To Argue With France To-day.

Secretary Hughes, Mr. Balfour and Baron Kato, ambitious to complete the naval structure, will confer with the French delegates to-morrow and attempt to obtain a modification of the claims presented by

Conference Doings

WHAT was considered to be a temporary setback to the conference came with a proposal by France for the construction of ten \$5,000 ton capital ships, but hope was expressed that an adjustment would be reached.

Japan and China reached a tentative agreement regarding the Kiaochow road, and a settlement seemed near.

Mr. Balfour, it was stated officially, will present to the conference the British plan for abolishing submarines as barbaric and uncivilized. The British proposal, it was added, will be in the form of an appeal to all the peoples of the world.

Chinese and Japanese representatives, who have reached a virtual agreement over the Kiao-Chow district, continued their "conversations" to-day. Up to date they have failed to agree on the manner in which China is to pay the \$5,000,000 gold marks to Japan for relinquishing her hold on the Tsin-tao-Tsinanfu Railway.

The adjustment of this feature of the controversy depends on the ability of Chinese banking groups to comply with the Japanese demands as to the terms of settlement. There is much cabling between Washington, Peking and Shanghai in an effort to straighten out what at the moment appears to be the only obstacle to a complete agreement over Shantung.

The Chinese offer to pay cash for the purchase of the railway is questioned by the Japanese. The basis for their skepticism is that less than two months ago the Chinese Government defaulted on an American \$5,000,000 loan and that it owes hundreds of millions of dollars to foreign interests, including more than \$200,000,000 to Japan.

Japan Seeks Interest in Road.

This latter country greatly desires to retain an interest in the railway, although it is willing to surrender control if the financial terms stipulated by it are met. The Chinese delegates insist that Japanese interest shall be absolutely divorced from the enterprise for all time. This condition is the only one that would probably satisfy the people of China, who have already chafed a mighty protest against the direct negotiations now proceeding.

The other Chinese problems remaining to be settled are described to be in an advanced stage awaiting completion of the Sino-Japanese negotiations over Shantung.

The American delegates intimated to-night that as soon as the new treaty over the naval programme has been straightened and a general agreement effected to give China a new start the question of Silesia will be taken up. The occupation of north-eastern Asia by Japanese military forces calls for an explanation, according to the American delegates, and one will be requested.

American delegates displayed a tendency to-day to regard as unimportant the question of the Chinese request for special protection to Japan. The fact that Japan proper is an "insular possession" in the meaning of the quadruple treaty is not considered a matter of any particular moment.

The treaty does not include the mainland of Asia, but is distinctly insular in its provisions, according to the American authorities. The fact that Japan proper is included in it does not affect the substance or nature of the treaty. As far as the United States is concerned the provisions of the treaty apply to Hawaii, Guam and the Philippines.

The view of the American delegates is that while there might be a distinction without difference, it is wholly a verbal one. The American delegates expressed the belief that close analysis of the treaty would result in its acceptance by the Senate.

JAPAN WILL RESTORE ROAD IN NINE MONTHS

Agreement Reached on Shantung Railway.

WASHINGTON, Dec. 16 (Associated Press).—A tentative agreement to return the Kiaochow-Tsinanfu Railway in Shantung to China within nine months was reached to-day during the conversations between Japanese and Chinese delegates. An agreement was also being approached on other points concerning the mode of payment, it was said by the Chinese.

It was decided that the road should be paid for in installments, but no decision was reached on the period over which \$5,000,000 gold marks, to be paid in installments, would be spread.

The Chinese offer to pay in cash made yesterday, was not accepted by the Japanese and the Chinese countered with a proposal that payments be completed within a year, or, if necessary, by the time as short as possible. The Japanese, according to a Chinese delegate to-night, said this period was too short and suggested what to the Chinese seemed "a very long time."

The sudden turning back of the railway, the Japanese are understood to have said, would adversely affect Japanese trade interests. China will not borrow from Japan any more with the exception of the payments, the Chinese said, for nor will any loan be negotiated.

Mr. Hanhara of the Japanese delegation, after the meeting, said: "We are ready to come forward to a satisfactory settlement on the questions under discussion."

SAYS SOUTH BACKS HARDING.

Texas Man Tells of Sentiment Favoring Conference.

WASHINGTON, Dec. 16.—A former Representative, Mr. Slayden, Democrat, from Texas, called to-day to congratulate President Harding on the "wonderful success" of the Washington conference, as "viewed by the people of the South."

Mr. Slayden said, as he left the White House, that he had in his travels through the South, particularly in Virginia, found the people pleased and contented with the accomplishments of the conference.

JAPANESE IN ACCORD WITH AGREEMENTS

Baron Kato Says There Is Little Opposition to Policies at Home.

AUTONOMY FOR CHINA

People Stand Behind New Peace Movement Sweeping the World.

NOT BELLICOSE NATION

Statement Extols the Leadership of United States in New Era.

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., Dec. 16.

Japan issued a formal statement to-day, through her spokesman at the conference, expressing her accord with the Western Powers in their policies exemplified in the agreements already reached and in process of completion at the Washington gathering.

In the same statement, the Japanese delegates go on record as favoring the "integrity, independence and administrative autonomy of China."

The statement was made by Admiral Baron Tomomatsu Kato, head of the Japanese delegation.

Admiral Kato assures the world that there is comparatively no opposition in Japan to the agreements which have been reached here as to naval ratio and the preservation of peace in the Pacific.

The statement is especially significant as indicating a desire to disabuse the world of the opinion that Japan is a bellicose nation from which danger is to be feared, and as expressive of a desire on the part of Japan to join hands with the new peace movement which is sweeping the world.

Little Opposition in Japan.

The Japanese which Admiral Kato asks the world to accept is the direct antithesis of the Japan of the "twenty-one demands on China, and the importance of the statement is not lessened since it is made while the "twenty-one demands" are resting on the doorstep of the conference hall while the delegates are unofficially conferring what shall be done with them.

Admiral Kato's statement follows:

The agreements which the several nations have reached with regard to naval opposition in only a few unimportant quarters in Japan. Japan as a whole will rejoice in them as completely, if not actually, more fully, than any other country in the world. Unless the spirit of Japan were entirely in accord with that of the other great nations that will participate in the naval treaty, an agreement could not have been reached. It has been reached in substantially the form in which it was proposed by the United States and after less than five weeks of discussion. These extraordinary circumstances show how unswayed was any pessimism that prevailed before Mr. Hughes made his historic speech of November 12, and how unfair was the charge of delay in view of the fact that his drastic proposals came as a complete surprise to all of the other nations.

I may say that from the day the proposals were made, the Japanese delegation, supported by its Government and the Japanese people, were determined that their country should be the first to accept an agreement, or even to delay it, beyond the barest necessity of time for adequate consideration. As I have said before, we have never bargained. We presented our case to the delegates of the Powers concerned and at all times received, as we strive in our turn to give, fair consideration.

Not a Bellicose Nation.

Our attitude at this conference will, we hope, make futile heretofore any effort such as has been made in the past to present Japan to you in the aspect of a bellicose nation, dangerous to the peace of the Pacific Ocean, and for our part, I am glad to say we have obtained unquestionable evidence that Japan need have no fear of hostile designs that menace her security from the West. This will be a most gratifying relief to us.

The ample promise which this conference gives of future cooperation among the Powers interested in the preservation of the integrity, independence and administrative autonomy of China will not only gratify Japan, but will undoubtedly benefit China. The past blight of political controversy and conflict among the greater Powers in China has not been the cause of her present unfortunate condition, but it has done good, neither to the Powers themselves, nor to China. China is now assured that she may proceed toward unification and reconstruction unhampered by any of the nations that have associated themselves in support of the Root principles and the security of China of vital concern to Japan as to no other country except China herself.

We are confident that we have come to a stage which could not have been made possible without the leadership of the United States. Her remote position, power and prestige gave her this splendid opportunity and her desire for justice enabled her to assume that leadership. Only those who did not know Japan could have thought that she would fail.

Simultaneously with the issuance of Admiral Kato's statement, Mr. Hanhara, another spokesman for the Japanese delegation, dwelt with emphasis on the fact that Japan's acceptance of the four "Pacific" agreements could not be interpreted as giving to Japan the same guarantee she received under the terms of the Anglo-Japanese alliance.

While Japan was placing her position before the world, the "twenty-one demands" which the Chinese delegates have thrust into the Far Eastern committee deliberations, remains one of the most embarrassing problems of the conference. While decisions are being reached, the committee prolongs its vacation and strenuous efforts are being made to induce the Chinese to withdraw their request for examination of the Chinese-Japanese agreements growing out of the "demands."

11,135,187 in U. S. Back America's Arms Stand

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., Dec. 16.

HAT is accepted as a remarkable vote of confidence for the American delegates engaged in the international conference was announced to-day by the committee on general information of the American advisory committee.

A total of 11,135,187 persons throughout the United States have indicated their American position, which has been for the limitation of armaments in cooperation with the other nations, but with the details left confidently in the hands of the American delegation.

In a poll taken by the committee seeking expressions of sentiment this is the result:

	Dec. 1.	Dec. 15.
For complete disarmament	1,233	24,518
For limitation of armaments	1,611	11,723
For cooperative limitation with benevolent liberalism	20,840	83,543
For cooperative limitation with details left to the delegation	6,501,456	11,135,187
For cautious limitation	1,001	4,174
Against limitation	403

BRITISH DELEGATION ACCUSED BY FRENCH

Continued from First Page.

Further conference within the next six months.

Despite, however, the British declaration that France wants to build ten immense capital ships within the next ten years, it is well known in French naval and political circles that France has neither the intention or even the desire to do this. France is much more anxious to build submarines than capital ships, and this fact points the way to a possible solution. In case France is allowed to have 75,000 tons in submarines which is under no obligation to do so, it will doubtless be possible to obtain her agreement on a smaller capital ship basis.

France wants to insure her defence by means of submarines because these vessels are the most effective and the cheapest to build. She is opposed in this by England, who announces her intention of building for the entire world of submarines. As a point of diplomatic maneuvering it seems doubtful whether France would consent to abate her capital ship demand as long as England sticks to her submarine programme. While England considers she must stand in the way of what France regards to be her own legitimate and cheap form of naval defence, it is natural that France should not wish to uphold a policy which may be equally annoying to England.

This situation will be clear to Premier Briand and Prime Minister Lloyd George, who met in London last week, and an understanding on the subject will possibly result from their conversations. Then the Washington negotiations will again be in a position to show progress.

ITALY INSISTS ON RATIO EQUAL TO FRANCE

But Will Oppose Increase Above Present Tonnage.

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., Dec. 16.

Italy insists on being allowed a naval ratio equal to that of France, but will oppose France in any effort to obtain a ratio higher than that which is shown by present capital ship tonnage. Italy is ready and anxious to enter into a treaty with the other Powers to limit the number of submarines to be built, but she will not consent to a naval holiday, upon terms which may be worked out in conjunction with the other nations on a basis regarded as fair and equitable.

This position on the part of Italy was described in detail to-day by Senator Gentile, the spokesman of the Italian delegation, when he learned that the French Government is seeking additional naval tonnage.

"It is obvious," Italy must have a navy equal to that of France," Senator Gentile said. "It can be shown by the Italians that the Italian navy at this time is equal to that of France, while the case of the other Powers is not yet Italy has more vessels of a smaller type than has France. It generally is accepted in Italy that the Italian navy offsets the French."

"Italy has 122,000 tons, and four dreadnoughts, with a total of 51,000 tons, making 183,000 tons in all. France has seven dreadnoughts with a total of 182,000 tons and four pre-dreadnoughts of 74,000 tons, making 236,000 tons in all. Italy, however, has more small vessels than has France, and it is for this reason, as well as national security, that Italy believes that these two navies should be the same."

URGES CONSIDERATION OF RUSSIAN FINANCES

Krasine Asks Lloyd George to Take Up Debt Question.

London, Dec. 16 (Associated Press).—Another bid for consideration of Russia at the council tables of the Powers was made by Leonid Krasine, the Russian Bolshevik Minister of Trade and Commerce, when he opened a long awaited conference with Premier Lloyd George this morning. He urged that the question of Russian debts be discussed at the forthcoming Anglo-French conference at Chateau de Versailles.

Encouraged by the declaration by Mr. Lloyd George's statement to a Laborite delegation yesterday that Great Britain was willing to enter a conference to consider the Russian debt, Mr. Krasine reviewed the Soviet offer made incorporated by the Minister Tschetchev to assume the debts of old Russia, and pointed out the benefits to be obtained by the inclusion of Russia in the Anglo-French survey of European affairs and the security of China of vital concern to Japan as to no other country except China herself.

We are confident that we have come to a stage which could not have been made possible without the leadership of the United States. Her remote position, power and prestige gave her this splendid opportunity and her desire for justice enabled her to assume that leadership. Only those who did not know Japan could have thought that she would fail.

CHINA TRADE BILL IS PASSED BY SENATE

Exemptions to Americans in Business There Refused.

WASHINGTON, Dec. 16.—The China trade bill was passed by the Senate to-day by a vote of 72 to 19. The bill provides for granting tax exemption privileges to American corporations doing business in China. The measure now goes to conference with the House.

TREATY ADVOCATES IGNORE REED ATTACK

Fail to Be Stamped and Led Into Controversies at This Time.

POLL SHOWS STRENGTH

Only 2 Republicans Openly Fight Plan; 2 Others Lukewarm.

SARCASM SENT AT LODGE

Missourian Compares Speech to Mother's Croon Before Child's Dose of Oil.

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., Dec. 16.

Bitter attacks on the four Power treaty by a few irreconcilables in the Senate have failed to break the ranks of the supporters, who refuse to be rushed into a rough and tumble debate in defence of the agreement at this time.

That fact was made known to-day by Senator Curtis (Kan.), the Republican whip, who stated on the floor of the Senate at the end of a long speech attacking the treaty by Senator Reed (Mo.) that the friends of the agreement will explain their position when the treaty is formally placed before the Senate.

Afterward in an interview, Senator Curtis said that an informal meeting of the Republican Senators to-day a canvass was made of their feeling regarding the four Power treaty and it was found that only two Republicans—Senators Borah (Idaho) and La Follette (Wis.)—were openly opposed to the treaty, while two others—Senators France (Md.) and Norris (Nebr.)—are still undecided whether to support or oppose the agreement.

Senator Robinson (Ark.) stated that while the Democrats are still maintaining an open mind there is a tendency "to draw away from the treaty." However, it is not expected that there will be any great defection in the Democratic ranks since Senator Underwood, the minority leader, is one of the framers of the treaty as a delegate to the arms conference and Senator Hitchcock, the leader in the fight for the adoption of the Versailles treaty, says he will vote for it.

Sees U. S. as Second Rater.

Continuing his attack on the treaty to-day, Senator Reed declared that "to sign the document is to sign the death warrant of the United States as far as Pacific questions are concerned."

The Senator went on to say that the terms and language of the agreement follow closely the Anglo-Japanese alliance, and he expressed the opinion that in substance "the treaty was brought about by the fact that the United States is a second rate Power as far as Pacific questions are concerned."

"The results of this conference," he added, "prove once more that the Occidental mind is no match for the Oriental in matters of diplomacy. From the outbreak of the war the Japanese have demonstrated their superiority over European and American statesmen. With a loss of fewer than 1,000 men in the war, Japan took of the spoils of war more than any other nation except Great Britain. Now we are forced to allow her to float a floating arsenal which can crush at opposition."

"Some time ago," he said, "we purchased the Virgin Islands from Denmark. In exchange for the territory we needed for naval bases to protect the mouth of the canal. An investigation shows that Japan has numerous islands in the same region which may be fortified to the extent that our fleet could be destroyed in case of a conflict with that nation."

While on this subject the Senator pointed out that the possession of Japan and Great Britain in the Pacific which this nation under the agreement, in his judgment, would be morally bound to defend against all attack from any source. In exchange for that support, he added, this nation gets virtually nothing, since we have in the Pacific only the Philippines, "which should be granted their independence," and the Hawaiian Islands.

Fears It May Lead to War.

"This instrument may mean the undoing of the peace of this country. In the near future we may be forced to go to the defence of possessions of Great Britain or Japan in the Pacific," he declared, "and involve the draft and send our boys to be sent to die over some dispute in which this nation has little or no concern."

During the discussion Senator Reed took occasion to poke fun at Senator Lodge for his language at the arms conference when presenting the four-Power treaty.

"The language of the distinguished Senator from Massachusetts in the House," he said, "was more of a poem than evidence of great statesmanship. His glowing description of the beauty and charm of the islands in the Pacific which we are called upon to protect reminds me of the cooing mother as she paves the way to give her child a dose of castor oil."

To support his contention that the proposed treaty is really a military alliance the Senator read extracts from the Holy Alliance, the Austro-Hungary-Germany Alliance, the Anglo-British Alliance and several treaties made centuries ago in which he declared similar language is employed as that used in the four Power treaty.

"Some of those treaties," he said, "were signed by the pen of hypocrisy to follow in the blood of the innocent. Most of them only promise cooperation to the extent laid down in this new pact, yet when critical questions arose war was declared and all the nations in the agreement stood together."

"To say that we can enter such an agreement and not go to the defence of Japan, Britain and France in case of any trouble over their numerous possessions in the Pacific is the practice of children, if not absolutely idiotic."

"This agreement gives to Japan, through her insular possessions, almost complete control of the coast of China, and makes the open door policy more or less of a joke.

Murder Every Third Day in Berlin Crime Wave

Special Cable to THE NEW YORK HERALD.

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New York Herald Bureau, Berlin, Dec. 16.

THERE is one murder in Berlin every third day, according to criminal statistics. One hundred and ten murders have occurred in this city this year, while in the first ten months of 1921 there were in Berlin 3,647 burglaries, 172 holdups, 9,431 cases of theft, 248 police raids, 335 suicides and 2,309 crimes of an immoral nature. The sense of independence which the modern German feels since he has been freed from the yoke of militarism may account for the amusing fact that in the first ten months of this year there were reported in Berlin 1,215 cases of civilians insulting officials.

BALFOUR TO DEMAND BAN ON SUBMARINE

Continued from First Page.

time 6,000 were received from citizens asking the outlawing of poison gas.

The proposal to outlaw gas has gone hand in hand with the question of prohibiting the use of the submarine in the movement of troops and supplies in the United States since the conference opened. Complete abolition of all forms of poison gas and chemical warfare was voted by the American advisory committee. This vote was held before the American delegates. That it may influence their decision in favor of outlawing gas is believed possible. Gen. Pershing approved the outlawing of gas, the American delegates have been told. A similar vote was cast by Admiral Rodgers. Some army officials, however, favor the retention of poison warfare, in which the United States is prepared to outstrip all other nations.

Approximately 2,000,000 individuals of this country are in favor of outlawing both gas and submarines, according to a poll taken by the National Council on Limitation of Armaments, a volunteer organization with headquarters here. The poll was taken through thirty-five societies affiliated with the National Council.

The council also polled newspaper editors asking them to telegraph editorial dealing with the abolition questions. Fifty-seven editorials were received by the council. Thirty favored complete abolition of both submarines and gas. Five favored restriction of size and tonnage of individual submarines to restrict them to defence activities. One editorial favored restriction of the submarine, but with restrictions on use and size. Two of the editorials showed a neutral attitude.

CHURCHILL PRAISES WASHINGTON PARLEY

Says Irish-Americans Showed Hostility to Work.

London, Dec. 16 (Associated Press).—Winston Spencer Churchill, Secretary for the Colonies, speaking before the English Speaking Union to-night, paid an eloquent tribute to the work of the Washington conference and Secretary of State Hughes' "great act of faith," whereby the two great dangers of naval competition and of war in the Pacific are in a fair way of being effectively removed from the area of practical events.

Alluding to the Irish question, he declared: "Nobody can say how much we suffered through the uncalculated hostility of Irish-Americans, yet we triumphed and built a solid structure of friendship with America. But only consider how much better the relations would have been if the whole influence of the gifted Irish race had been thrown in the direction of promoting Anglo-American friendship instead of against it."

How the Government's income during the calendar year 1921 was obtained is shown in the following table from official statements of the Treasury Department:

	Govt. receipts, 1921, Jan. 1, to Dec. 31.	Percent of total
Source of revenue.	Dec. 14, Inc.	
Customs	2,232,614,007	34.9
Income, profits	2,232,614,007	34.9
Excise, sales, estate	1,273,000,007	20.2
Miscellaneous rev.	44,810,531	7.1
Panama Canal tolls	14,127,818	2.3
Total	\$4,374,165,114	100.0

Lives Within Its Income.

The Government succeeded in living within its income in four out of twelve months. In the remaining eight months the disbursements were in excess of receipts. The millions piled up in the four good months, however, reached a much larger total than the amounts by which expenditures exceeded income in the other eight months in which expenditures exceeded income the total excess of expenditure was \$972,829,882. But in the remaining four months the income exceeded expenditure by \$1,148,755,137.

A surplus of \$175,724,275 thus is shown in the period for the excess of receipts over disbursements.

Income of the Government month by month, together with surplus or month over disbursements, is shown in the following table:

Month.	Receipts (Ordinary).	Over Disbursements.
Jan. 1921	\$217,328,249	\$170,881,662
Feb. 1921	248,053,613	102,538,419
March	241,142,000	107,920,524
April	236,170,666	144,744,144
May	223,092,209	112,750,114
June	200,088,483	112,750,114
July	225,443,187	48,714,661
August	289,429,426	66,210,454
September	227,847,411	129,909,534
October	186,482,943	60,195,374
November	142,081,474	107,